

## **High Wage Jobs Credit**

This 2007 legislation seeks to make permanent this powerful incentive that provides a significant tax credit for new high-wage jobs in New Mexico. This credit is currently scheduled to expire in 2010. Taxpaying eligible employers may apply for and receive a tax credit for each new high-wage, economic-based job.

- The credit equals 10 percent of the wages and benefits paid for each new economic-base job created, up to \$12,000 per employee.
- Credit can be taken for four years for each new high-wage job
- Credit can be applied to the state portion of the gross receipts tax, compensating tax, and withholding tax due by the employer
- Job must pay more than \$40,000 in an urban community (population more than 40,000).
- Job must pay more than \$28,000 in a rural community (population less than 40,000).
- Qualified jobs must be Created on or after July 1, 2004 and occupied for at least 48 weeks by the employee.

### **To qualify, an employer must:**

- Make more than 50 percent of its sales to persons outside New Mexico during the most recent 12 months of the employer's modified combined tax liability reporting periods ending prior to claiming this credit
- Be eligible for the Job Training Incentive Program (manufacturing facilities and non-retail services industries)
- Be growing, with employment greater than the year before

### **To qualify, an employee must:**

- Be a resident of New Mexico
- Not be a relative of the employer
- Not own more than 50 percent of the company